Canadian
Advisory Council
on the Status of Women

Conseil
consultatif canadien
sur la situation de la femme

CARING FOR OUR CHILDREN:

A Brief on Bill C-144, The Proposed Child Care Act September 1988

A Brief to the Special Committee on Child Care June 1986

Canadian Advisory Council on the Status of Women

89-05481/

BRIEF TO THE LEGISLATIVE COMMITTEE ON BILL C-144, THE PROPOSED CANADA CHILD CARE ACT

September 6, 1988

The Canadian Advisory Council on the Status of Women (CACSW) was established in 1973 on the recommendation of the Royal Commission on the Status of Women. The Council is composed of 27 part-time volunteer and 3 full-time paid members appointed by the federal government. Collectively, the Council represents the regional, cultural, ethnic, and linguistic diversity of Canada.

The mandate of the Council is twofold — to bring before the government and the public matters of interest and concern to women. Thus, the Council provides the federal government with advice on both the impact on women of existing policies and programs and the development of new measures to improve the status of women in Canada; undertakes and publishes research on issues of interest and concern to women with the view to achieving needed reform; informs the general public on key issues; promotes an awareness of these issues through public and media relations; and contributes to the development of a substantial body of Canadian resource material on women's issues.

The Council has long been concerned with the quality of care that Canada needs to extend to its young citizens. We welcome this chance to reiterate our desire for a national commitment to a universally accessible, flexible, and affordable child-care system, answerable to the great variety of regional, economic, and sociological requirements of Canadian families.

THE BACKGROUND

In 1988, the Canadian economy's needs and the needs of women are consonant. It is hardly necessary to report that women, married or single, work because they have to. It is by now clear that the Canadian economy will probably never again function without the work of women, who comprise about 45% of the work force. It is by now clear that women — ill paid and well paid, service workers, professionals, or managers — are the *sine qua non* of the economy.

Imagine that women with preschool-age children stayed home. We would lose nearly one in five of the women in the paid labour force, or 853,000 employees. Imagine that women with children under 16 stayed home. We would lose the labour of one out of three female workers, or 1,900,000 women. Without their contribution, the economy would clearly fail to thrive. The women themselves would suffer economically, increasing the proportion of families below the poverty line and thus increasing the need for public support.

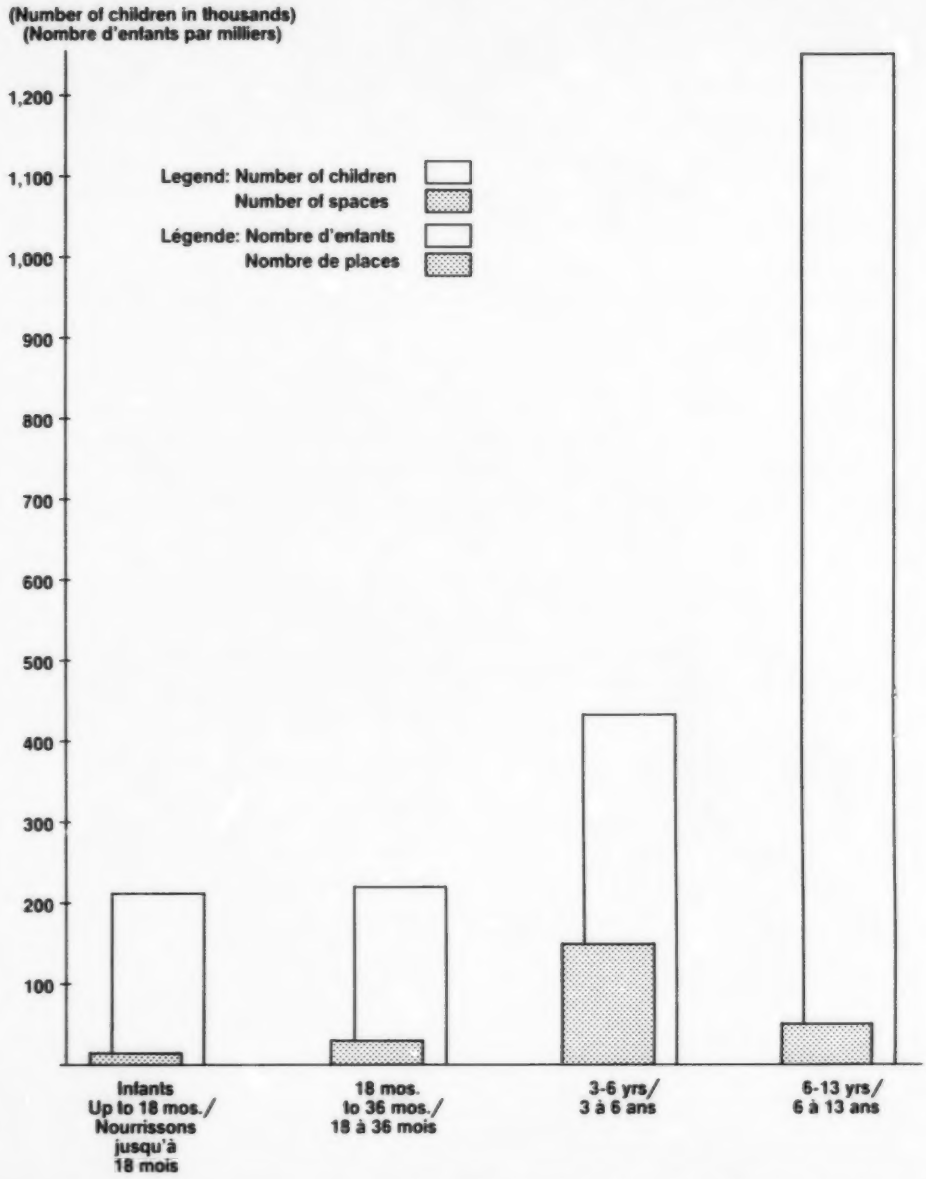
For women, child care is the *sine qua non* of their work lives. Knowing that arrangements for their children are complicated, inadequate, often random, sometimes unsafe, some women are choosing not to have children. Driven by economic fear, women are on strike against reproducing. That choice is often a sad one for individuals, and a disaster for the economy. By the 1990s, with births well below replacement rate, employers will be desperately, and unsuccessfully, seeking employees.[1]

Figure I shows us the number of Canadian children of employed women in 1987, as opposed to the number of child-care spaces in that year. It makes clear that the gap between children needing care and children receiving it is enormous. Figure 2 gives us an idea of the dearth of child-care spaces compared to the number of mothers in the work force. The dotted lines are based on two scenarios. If female work force participation continues to grow, as one projected curve would suggest, the number of spaces provided by Bill C-144, the proposed Canada Child Care Act, would not serve to close the gap. If participation remains level with 1987 figures, the gap will remain enormous. Parents are, frankly, left scrambling for inadequate and expensive child care. Of course, were female employment to decline, the economy would clearly be endangered.

---

[1] "Jobs," *Saturday Star*, August 27, 1988, p. D1.

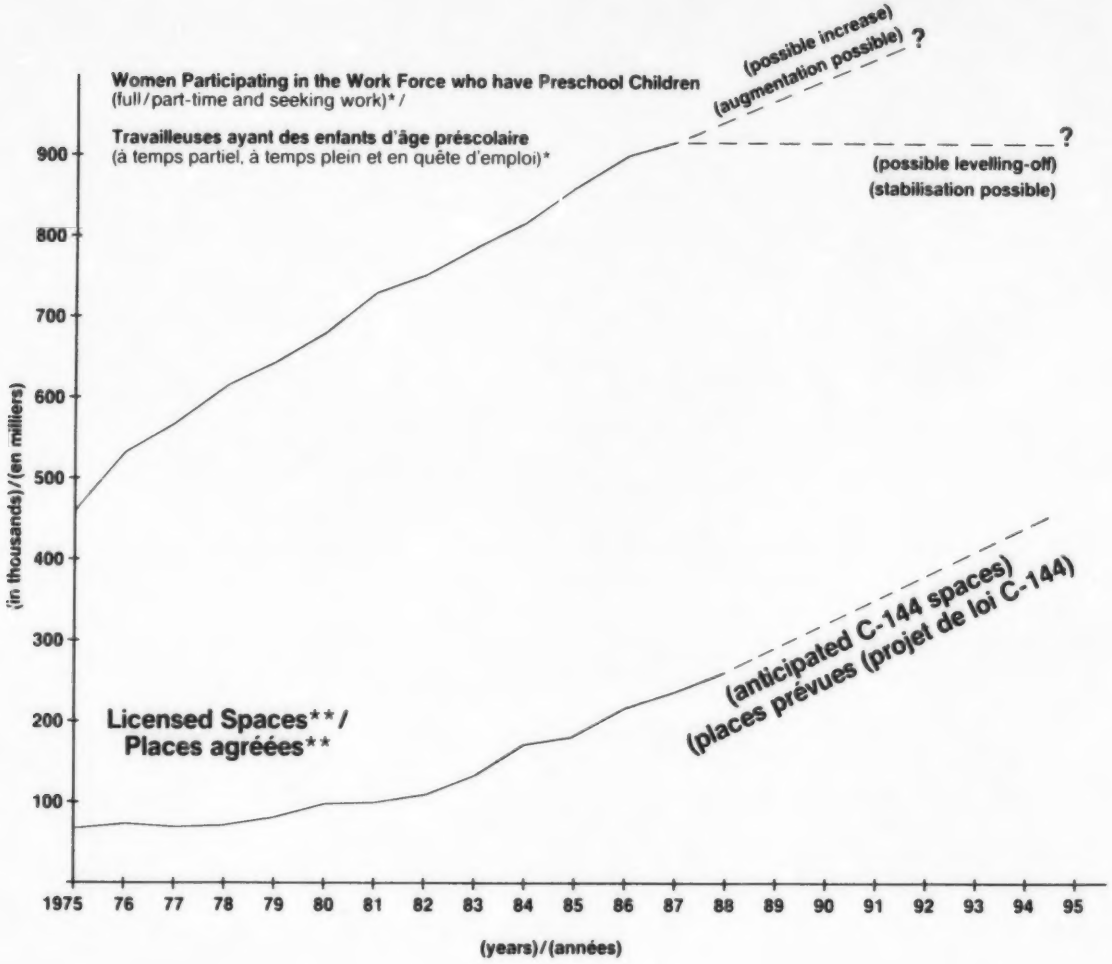
Figure 1: Children and Child-care Spaces, 1987/
Tableau 1: Nombre d'enfants et de places en services de garde, 1987



Note: The estimates above are based on the number of children whose parents were employed more than 20 hours a week or were studying full-time in 1987.
Source: Health and Welfare Canada, National Day Care Information Centre, *Fact Sheet* (forthcoming) based on *Status of Day Care in Canada — 1987.*

Note: Les chiffres ci-dessus s'appuient sur le nombre d'enfants dont les parents étudiaient à plein temps ou occupaient un emploi plus de vingt heures par semaine en 1987.
Source: Santé et Bien-être social Canada, Centre national d'information sur la garde de jour, "Feuillet documentaire" (à paraître) inspiré de *Situation de la garde de jour au Canada — 1987.*

Figure 2: Women's Labour Force Participation and Child-care Spaces/
Tableau 2: Participation des femmes à la population active et places en services de garde



Sources: * Statistics Canada Labour Force Survey Division, unpublished data for 1975-1983; Statistics Canada, *The Labour Force*, December 1984, December 1985, December 1986, December 1987
** Health and Welfare Canada, *Status of Day Care in Canada*, 1978 to 1987 (annual publication)

Sources: * Statistique Canada, Division de l'enquête sur la population active, données inédites pour 1975-1983. Statistique Canada, *La population active*, décembre 1984, 1985, 1986, 1987.
** Santé et Bien-être social Canada, *Situation de la garde de jour au Canada*, années 1978 à 1987.

Federal Government Participation In Funding Child Care

The federal government must respond vigilantly and energetically to Canadians' needs for child care, which is by now also the economy's need. In order for women to work productively, without the anguish of worrying about the safety and the emotional needs of their infants and their older children, about whether the caregiver will be available or whether the child-care centre will look after a sick child, the federal government must exert all its political will to create a child-care policy that anticipates the needs of the economy, of families, and of children.

The CACSW has said that such care must be accessible in all communities, must be affordable by parents, must be flexible in meeting disparate regional and workplace needs, and must respond in good faith to the best intentions of parents. Without enlightened accessible child care, the dream of women's equality remains unattainable, their lives torn between work obligations and children's needs; if women cannot work wholeheartedly and with concentration, free of anxiety about children, the economy will suffer the loss of an effective work force.

In 1973, 15 years ago, the Council pointed out the "evident inability of the federal, provincial, territorial, and municipal governments to come to grips with the problem of child care services so urgently needed in Canada."[2] In 1986, we reiterated our belief that "child care . . . is an essential service which should be universally accessible."[3] The Canada Assistance Plan (CAP) was one solution; Bill C-144 is another. However, neither of them acknowledge that child care, for low-income and middle-class families alike, will become part of the Canadian landscape; that families cannot bear this burden without considerable help; and that that help must intelligently, in good faith, and

---

[2] Canadian Advisory Council on the Status of Women, *Council Recommendations* (Ottawa: March 1986), Child Care recommendation, July 1973, listed under Child Care (B3.1).

[3] Canadian Advisory Council on the Status of Women, *Caring for Our Children: A Brief Presented to the Special Committee on Child Care* (Ottawa: June 1986), p. 3.

with the most intense political will, come from a government that has the foresight to understand that the labour force requires the participation of women and men. **Responsible fiscal planning for the future requires a great commitment to the care of young children.**

Child care has existed in Canada since the 1850s, primarily as a suppport service for families in crisis. It was a very limited service supported by individual, charitable, and sometimes provincial efforts until the 1940s, when the government was obliged to recruit women to meet wartime production needs and found that the lack of child-care services hampered its efforts. In July 1942, the federal government passed an Order-in-Council authorizing the Minister of Labour to enter into a cost-sharing agreement with any provincial government interested in establishing child-care facilities. The Dominion-Provincial Agreement subsidized child care, infant foster care, and school-age supervision; however, the scheme required that 75% of spaces provided under the agreement go to children whose mothers were working in "essential" industries.[4] In a sense, it was Canada's first national child-care strategy; two provinces opted in. It was a limited commitment designed to provide only temporary relief in extraordinary times, and was terminated at the end of the war.

However, women did not see themselves as being in extraordinary or emergency circumstances. A survey of 542 working mothers in September 1945 showed that 484 intended to continue working in the paid labour force indefinitely for precisely the same reasons that women do so today: economic reasons (they were sole-support mothers or otherwise had inadequate family incomes), social reasons (overcrowded living accommodations, the advantages to children of nursery care), and personal preference.[5] And so they did continue to work, in ever increasing numbers.

---

[4] See: Patricia Vandebelt Schultz, "Day Care in Canada: 1850-1962" in (ed.) Kathleen Gallagher Ross, *Good Day Care: Fighting For It, Getting It, Keeping It* (Toronto: Women's Press, 1978); Nancy Miller Chenier, "Toward Universality: An Historical Overview of the Evolution of Education, Health Care, Day Care and Maternity Leave", a background paper prepared for the Task Force on Child Care, November 1984.

[5] Schultz, "Day Care in Canada", p. 152.

In 1966, the federal government enacted the Canada Assistance Plan, which provided a cost-sharing arrangement to subsidize the cost of assistance (aid to persons in need of basic services such as food, shelter, clothing, fuel, utilities) and welfare services (child care, rehabilitative services, homemakers, counselling and assessment for persons in need or likely to be in need). Unlike the wartime strategy, this was an open-ended deal; however, it characterized child care as a welfare service for families in financial and social need (generally, for children of working or student parents or children in danger of physical, emotional, or intellectual deprivation).

Current Federal Government Funding For Child-care Services

Currently, the federal government funds child-care services in four different ways:

- It allows parents a tax deduction for their child-care expenses, within certain limits. This measure was estimated to have cost the government $170 million in 1986.
- It subsidizes child care for those taking training courses through Employment and Immigration Canada. This measure cost about $37 million in 1986.
- It provides money for child-care services on Indian reserves. This cost an estimated $5 million in 1986.
- Under the Canada Assistance Plan, the federal government contributes 50% of eligible provincial child-care expenses provided to families in need. In 1986, the federal government spent about $105 million for this measure.

Thus, in 1986, federal government spending on child care totalled about $317 million.[6] Provincial and territorial spending on child care is about 50% higher than the total amount spent by the federal government on child-care services. In 1984-85, for instance, the federal government spent a total of $222 million, while provinces and territories spent about $326 million on child care.[7] Most of this money was spent to subsidize child care for low-income families, but not all of it was matched by federal contributions through CAP. This is because some provinces choose to use different standards than those allowed under CAP for determining who is "in need", or they fund for-profit child care which is generally not eligible for cost-shared funds under CAP.

This approach to funding child care has resulted in a mismatch of needs and services that does not serve any segment of the population well. For example, when both federal and provincial child-care funding is taken into account, it becomes clear that most public funding for child care is given in the form of subsidies to low-income families to purchase licensed spaces. Publicly-funded child care has been structured as a welfare service rather than a program to which all children should have access. But ironically, most low-income families who qualify for subsidized care do not get the child-care services they are entitled to because there are simply not enough licensed spaces available. Furthermore, in some provinces, provincial and territorial governments set a maximum daily subsidy rate. Low-income families which cannot afford to pay the difference between the rate charged and the maximum subsidy rate, or who cannot find a subsidized space, must look for child care in the informal market. In this case, government support is provided through a tax deduction for child-care expenses (capped at an amount significantly below the true costs of child care) for parents who are able to obtain receipts from their child-care provider and who have sufficient income to benefit from the deduction.

---

[6] Special Committee on Child Care, *Sharing the Responsibility*, House of Commons, March 1987, Table 1.2, p. 7.

[7] Monica Townson, *The Costs and Benefits of a National Child Care System for Canada*, Canadian Day Care Advocacy Association, 1986, p. 37.

Nor are middle-income families better served. Most middle-income families do not qualify for child-care subsidies, but neither could they afford the cost of licensed spaces even if they were available. The child-care deduction is inadequate to fund a licensed child-care space, and, as a result, most middle-income families have no choice but to find care for their children in the informal market. Because deductions, as opposed to credits, benefit higher income earners, middle-income families receive a slight advantage over lower income families, but in neither case does the deduction enable families to meet the costs of licensed home care or child care. They both must find their child care on the informal market.

Some families, albeit a decreasing number, may be fortunate to rely on trusted friends, neighbours, and relatives for informal care. But most are not in this position. Most Canadian families must entrust their children to providers who do not have to meet any standards at all. When they get up in the morning, working parents can rely on the fact that any electrical appliances they use will have been tested and conform to national safety standards, that (most of) the food they prepare will have been subjected to regular health inspections and conveniently packaged so that consumers can exercise informed choice, and that the school bus driver who takes their children to school will have been licensed, after being tested for skill and competence. But, if they have a preschool child, or require after-school care for their school-age children, they can take nothing about the quality of their care in informal arrangements for granted.

The cost of uneven quality care to children, parents, and employers is not one which appears on tax returns or budget tables, but it exists nonetheless. The inadequacies of the current system have been well documented. Many Canadians share the view that we need and deserve a comprehensive, universally accessible system of quality child care. The CACSW believes that child care — like education and health — is an essential service which should be universally accessible, and that the federal government can and must take a major role in rectifying the current state of inadequate access to quality child care. The CACSW has always understood that there must be both long- and short-term measures to achieve this objective. In the long term, there should be a major

restructuring of federal funding for child care to ensure its provision as a universal program comparable to education and health. In the short term, the CACSW previously recommended that the federal government should extend the range of child-care costs eligible for cost-sharing under CAP to include capital construction costs and start-up grants for all child-care spaces in provincially approved agencies. In addition, the tax deduction for child-care expenses should be replaced by a fully refundable child-care tax credit.[8]

The National Child-care Strategy

In December 1987, the federal government announced a national child-care strategy with two main elements. The first part was to give money directly to parents through an increase in the tax deduction for child-care expenses and an increase in the refundable child tax credit. This part of the strategy was implemented in the February 1988 budget. The second part of the strategy was to negotiate new cost-sharing agreements for child-care services with the provinces. Bill C-144 is intended to implement this part. The total package will cost $6.4 billion over the next seven years, with the money to be allocated as follows:

	$ millions
Tax provisions for parents	$2,300
Child-care special initiatives fund	100
Child-care services for Indian communities	60
Cost-shared child-care services under the new Act	3,940
Total cost of strategy	$6,400

Bill C-144 is an integral part of the national strategy on child care, and for this reason we would like to make a few comments about the strategy before focussing on the Bill.

---

[8] See: Canadian Advisory Council on the Status of Women, *Caring for Our Children.*

New Tax Measures

A major part of the national strategy is to direct more money to parents through the tax system outlined in the February 1988 budget. Parents with young children currently receive federal financial support in several ways, whether or not they use child-care services and whether or not both parents work outside the home. Included in these programs are family allowances, a tax credit for dependent children (formerly a tax deduction), and a refundable child tax credit for families with incomes below a certain amount. Families with receipts for child-care expenses can deduct them up to a certain amount. Two changes to this system were included in the national strategy:

- Low-income families whose incomes are too low to be able to claim a tax deduction, or who cannot produce receipts for their child-care expenses, will receive an increase in their child tax credit of $100 per child in 1988, and $200 per child in 1989 and thereafter; and,
- The deduction for child-care expenses for children under six was doubled from $2,000 to $4,000. The deduction for children over six remains at $2,000, but the limit of $8,000 per family is removed.

The first of these changes, the increase in the child tax credit, will go to all families with children aged six and under who qualify for the child tax credit, regardless of whether or not both parents are working outside the home. Strictly speaking, this is not an allocation for child-care services. However, it is one of the most expensive parts of the national strategy. It is estimated to cost $340 million per year in the 1989 and 1990 tax years,[9] and, from Finance Department estimates released with the February 1988 budget, it would appear that over the seven-year period of the national strategy, it will cost about $2 billion or 31% of the the total $6.4 billion announced for the program. The second of these changes, the increased deduction for child-care

---

[9] *Securing Economic Renewal: Budget Papers*, Minister of Finance, February 10, 1988, p. 9.

expenses, is estimated to cost $40 million a year in each of the next three tax years.[10]

What commitment do these changes represent? In the Report of the Special Committee on Child Care, *Sharing the Responsibility*, this took the form of a recommendation that the federal government should encourage the development of a spectrum of flexible child-care options, so that parents' choices about how to care for their children would not be unduly restricted by financial considerations, shortages of care options, or inflexibility and poor quality in such services as are available.[11] Thus, the self-imposed standard against which to measure these initiatives is: What choices will they provide for parents?

The Council offers a made-in-Ottawa exercise for Committee members. Imagine that you have two preschool-aged children in Ottawa (it is, after all, the one city which all Members of Parliament have in common), and that you earn the average family income for Ottawa (approximately $50,000).[12] You are therefore in the middle tax bracket, with a marginal tax rate of 39% combined federal and provincial rates after tax reform. The doubling of the child-care tax deduction under the national child-care strategy will mean that your family will receive a tax refund of $3,120 if you claim the full $8,000 deduction for child-care expenses to which you are entitled. Assuming one of your children is an infant, and the other preschool age, it would have cost you approximately

---

[10] Ibid., p. 27.

[11] Special Committee on Child Care, *Sharing the Responsibility*, p. 9.

[12] This figure is a rough estimate based on Statistic Canada's data for 1985 incomes for Ottawa of $50,918 (economic family) and $48,850 (census family). (Telephone interview, September 2, 1988)

$17,000 annually to place them in licensed group child care in Ottawa.[13] In truth, since the $17,000 is paid in after-tax dollars, you would have had to earn considerably more than that amount to pay your child-care fees in the absence of a child-care deduction. With the deduction, even as increased, you must still earn more than $17,000 to pay your child-care fees. We invite you to continue the analogy to determine what the true "choices" are for middle-income families who do not qualify for child-care subsidies.

What if we altered the facts slightly? If you were a low-income family, you would be in a more precarious situation. Assume the same basic facts above, only you have a family income of $20,000, with a combined federal and provincial marginal tax rate under tax reform of 26%. The cost of licensed group child care would still be $17,000; given your income level, you should qualify for subsidy. However, there are no vacant subsidized child-care spaces

---

[13] This is an approximate figure which represents an average of the annual rates set out below, rounded up to the nearest thousand. Group child care is offered directly by the Regional Municipality of Ottawa-Carleton (RMOC) at the following rates:

	Per Diem	Annual (21.5 days/month)
Infant	$ 37.00	$ 9,546.00
Preschool	22.50	5,805.00
Total		**$15,351.00**

(The RMOC also "purchases" subsidized child-care spaces from the community.) Purchase of service rates are slightly higher:

	Per Diem	Annual (21.5 days/month)
Infant	$ 42.48	$10,959.84
Preschool	26.25	6,772.50
Total		**$17,732.34**

The staff at these centres are unionized; the per diem rates reflect the cost of providing modest salaries, benefits, and working conditions. Licensed home care is $16.00 per day, annual rates for two children are $8,256. However, the women who provide this service are not unionized. (This example does not include reference to the House of Commons child-care facility.)

in Ottawa.[14] In order to pay the $17,000 that child care would cost, you would still have to earn more than that amount without a child-care deduction or with the increased child-care deduction to meet your child-care bill. Obviously, no one in these circumstances would be in a position to use a licenced child-care facility without subsidy. Instead, they would be forced to find informal child care or leave the labour force altogether.

These new tax measures have not increased parental choices at all. The increased child-care expense deduction may provide some financial benefit to high-income earners who already have unsubsidized licensed child care or paid domestic labour, or provide a measure of relief to those parents with licensed child care who must pay the difference between the actual rate and the maximum subsidy provided by their provincial/territorial government. But it is clear that these tax measures will not increase the number of licensed child-care spaces or the choices available to middle- or low-income families.

It has been estimated that it costs between $1,200 and $6,000 (in 1985 dollars) to create a new licensed child-care space. If the $2 billion the government plans to channel through the child tax credit over the next seven years were to be used to create new child-care spaces instead, we would have about 670,000 additional licensed spaces (assuming an average cost of $3,000 a space). The money invested in spaces would go a long way towards meeting the real needs of children and parents.

The Canada Child Care Act

The strategy also calls for $3.94 billion to be set aside for cost-sharing child-care services under Bill C-144, the proposed Canada Child Care Act. Most of this is not additional money for child care since the federal government already allocates funding for child care through CAP.

---

[14] The RMOC estimates its waiting list for child care at 2,000; a local purchase-of-service centre has a waiting list of 400.

Child-care Funding Through CAP

Federal spending on child care through CAP in the fiscal year ending March 1988 was $160 million.[15] This compares with an expenditure of $90 million in the 1984-85 fiscal year.[16] Based on that three-year period, federal expenditures on child care through CAP have been increasing at an average annual compound rate of 21%. If we were to assume the same rate of increase for the next seven years — that is, until the end of the 1994-95 fiscal year — federal child-care spending through CAP would have reached a level of about $609 million a year by March 1995. Government statements have indicated that federal spending under the Child Care Act will have reached a level of about $800 million a year by 1995. Yet, as figures 1 and 2 demonstrate, this will not close the gap between the need for spaces and the spaces that exist.

In all, over the seven-year period to March 1995, the government would have spent about $2.59 billion on cost-sharing through CAP, compared with the $3.94 billion it plans to spend by allocating cost-shared funds through the Canada Child Care Act instead. Thus, the new money the federal government plans to allocate through the Act is in fact $1.3 billion, and averages about $200 million a year for the duration of the strategy.

Child-care Funding Under The Canada Child Care Act

Bill C-144 provides a new legislative vehicle for delivery of child-care funding. There are some important differences between the proposed Act and the Canada Assistance Plan. Bill C-144 moves away from a formal welfare structure for the delivery of child-care spaces, provides the prospect of federal funding for capital costs, and the possibility of a greater than 50% federal contribution. However, this is a closed-ended deal, a limited time/limited dollar deal that can only be entered into by abandoning the open-ended commitment available under CAP.

---

15 Unpublished data from Health and Welfare Canada.

16 *Supra*, Townson, p. 37.

The Cost-sharing Formula

The cost-sharing formula is set out in sections 5 and 6 of the Bill. Section 5(1)(a) provides for the federal government to share 50% of provincial and municipal child-care costs, other than the cost of capital assets. Cost-sharing under this section will be available to both non-profit and profit child care. Section 5(1)(b) provides for a 75% federal contribution to provincial and municipal costs for capital assets to the extent that those costs are attributable to the provision of child-care services by not-for-profit agencies. Section 5(1)(c) provides a top-up mechanism for provinces where federal spending on child care in that province on a per child basis is more than 70% below the national average of per child federal child-care expenditures. The effect of this section would be that, in some provinces, the federal share of provincial child-care costs in total could be as high as 90%. This possibility is allowed for under section 6 of the Bill.

However, the Bill does not give any details of how the top-up will work. It will depend on a comparison of the "provincial average entitlement per child" with the "national average entitlement per child". The "entitlement" appears to be the amount of federal contribution to child-care costs averaged out on a per child basis. But there is no indication in the Bill as to how the number of children in a province will be determined. We do not know if it will be all children, only preschool children, or only children currently using child-care services. Whatever formula is used will make a difference to a province's eligibility for top-up payments. Under section 8 of the Bill, the way in which the number of children will be calculated will be established by regulations issued after the Act is passed. In fact, under section 8, many important features of the program will be established by regulation at some future date. For instance, we do not know how "child-care services" eligible for cost-sharing will be defined, or the criteria that a child-care agency must meet to qualify under the definition of not-for-profit. The meaning of "costs" which the federal government will share with the provinces, the definition of "capital assets" which will be eligible for cost-sharing, and the method for calculating depreciation of capital assets are all left unresolved.

Agreements With The Provinces

The Bill authorizes the Minister of Health and Welfare and the Minister of Finance to enter into a federal-provincial cost-sharing agreement for child care, but pursuant to section 13 of the Bill, the child-care provisions of CAP will not be terminated until all provinces have signed agreements under the new Canada Child Care Act. This raises the possiblity that some provinces may prefer to remain under CAP than to receive child-care funds under the new Act. The way in which funding is allocated between provinces may influence provincial decisions about whether or not to remain under CAP. This issue is not addressed in the Bill, yet it is a critical matter in a limited commitment to funding child-care spaces.

Quality Child Care

The national child-care strategy does not establish a national child-care system. Bill C-144 does not set any national objectives or standards for child care. The CACSW is fundamentally committed to the principle that Canadian children be assured of a reasonable standard of care no matter where they live, regardless of their family's circumstances. Section 36 of the *Constitution Act, 1982* makes it the federal government's obligation and responsibility to ensure that there is comparable access to and quality of public services throughout Canada. Bill C-144 should clearly indicate how the federal government proposes to fulfill this responsibility.

Funding For-profit Child Care

Federal contributions to child-care operating costs, provided for under section 5(1)(a) of the Bill, will be given to both non-profit and profit-making services without distinction. In general, current CAP arrangements do not permit government funding to go to commercial profit-making child-care enterprises, and therefore, Bill C-144 is a distinct departure from this policy. The

Council questions what impact this will have on the provision of child-care services in Canada.

BEYOND SEVEN YEARS

What contribution is the federal government prepared to make to child-care costs at the end of the seven-year period of the Act? The Bill makes it clear that the federal government will not share provincial capital costs for child care after March 1995. It would allow federal contributions after March 1995 to be frozen at the level payable in the 1994-1995 fiscal year, minus amounts spent for capital costs but with an annual adjustment for inflation. There is, therefore, a commitment merely to maintenance and not to increasing federal funding beyond March 1995.

CONCLUSION

We find that Bill C-144 raises, but does not resolve, the essential questions of child care. Its most important features are left for clarification by regulation, or open to conjecture. It is a legislative shell for federal-provincial negotiations and cannot be usefully examined outside the context of the entire national child-care strategy. We would urge the Committee to listen to the voices of families as they express a variety of needs. The experience of children and their parents should guide the intentions of this Bill.

It should be stated that federal leadership and provincial autonomy need not be mutually exclusive. We believe that all levels of government must seriously consider the variety of needs of children, of women, of families, and of the economy. Talk to women you encounter tomorrow. Ask your colleague, your cab driver, your secretary, or your child's teacher, or the clerk at the supermarket, or your doctor, about her arrangements for her children. They are likely to have been complicated. Now add to your deliberation the needs of adolescent mothers, rural mothers, Native mothers, immigrant mothers. Each family's needs are different; each must be accommodated with diversity,

sensitivity, and foresight. The labour force needs the work of women, and women and families need child care. Yes, this will cost money, but it is not a fiscal luxury. We cannot afford not to spend it.

BRIEF TO THE SPECIAL COMMITTEE ON CHILD CARE

June 10, 1986

SUMMARY OF CHILD CARE RECOMMENDATIONS*
Contained in brief "Caring for Our Children"
presented by the
CANADIAN ADVISORY COUNCIL ON THE STATUS OF WOMEN

CHILD CARE June 10, 1986

The CACSW believes Canadians deserve a comprehensive, universal system of quality child care.

The CACSW believes that child care – like education and health – is an essential service which should be universally accessible. The CACSW believes that the federal government can and must take a major role in rectifying the current state of inadequate access to quality child care. Canadian children need to be assured of a reasonable standard of care no matter where they live, regardless of their family's circumstances.

The CACSW also recognizes the important contribution that stay-at-home parents make in the nurturing of children and realizes that 24-hour child care is stressful. Therefore, the Council recommends that child care services should be available to those parents who have no paid employment for a maximum of one day a week.

The CACSW believes that, in the long term, there should be a major restructuring of federal funding on child care to ensure its provision as a universal program comparable to education and health.

The CACSW has recommended that, in order to improve the availability of day care services in the short term, the federal govenment extend the range of child care costs eligible for cost sharing under the Canada Assistance Plan to include capital construction costs and start-up grants for all child care spaces in provincially approved agencies.

The CACSW would like to point out that until child care workers are paid wages commensurate with their responsibility, staff turnover will remain unnecessarily high and will negatively affect the quality of care. Therefore, we encourage the federal government to direct funds to the provinces and its own training programs for the establishment of courses which would lead to the certification of individual caregivers.

The CACSW believes that parental leave should be based on the principle that both women and men must have the opportunity to pursue labour force careers and family responsibilities at the same time.

The CACSW recommends that parental leave of 26 weeks in total, available to either or both parent(s), whether natural or adoptive, be paid at the full salary of the parent(s) taking the leave who is(are) eligible for benefits under the **Unemployment Insurance Act**.

---

*Definitions of types of child care on page x.

The CACSW recommends that a fixed number of paid days be allotted as an employee's right in order to permit parents to stay at home during the illness of a child. The CACSW suggest that a paid leave package of ten days be examined – up to three days leave without a certificate and seven days with a medical certificate.

The CACSW urges the Special Committee to recognize the changes that have taken place in society, the family and the workforce, and challenges the Special Committee to take a leading role in giving the future citizens of our country the best possible start in life.

ADDITIONAL RECOMMENDATIONS
of the
CANADIAN ADVISORY COUNCIL ON THE STATUS OF WOMEN

CHILD CARE June 1986

I.
Whereas

- the provision of services is a provincial and territorial responsibility;
- there should be a consistent level of quality child care across the country;

the CACSW recommends

1. that the federal government establish adequate national program standards to enhance the early education experiences of children in child care settings;

2. that the federal government's financial contribution be made on the condition that the provinces and territories respect these national standards, including inspection of child care facilities and the enforcement of sanctions.

II.
Whereas the CACSW is concerned about the lack of training and educational programs for child care workers;

the CACSW recommends that the federal government direct funds to the provinces and territories and into CEIC training programs to establish relevant courses which would lead to certification of individual child care workers.

III.
Whereas

- the CACSW recognizes the importance of child care workers in the provision of quality child care;
- the CACSW deplores the lack of public recognition given to child care workers;
- the salaries of child care workers do not reflect the training and experience of workers or the importance of the work they perform;

the CACSW believes that child care workers should be paid salaries commensurate with their responsibility and experience, be covered by minimum labour standards, and be eligible for benefits such as paid holidays, unemployment insurance, and medical coverage.

IV.
Whereas

- the CACSW recognizes the important contribution that stay-at-home parents make in the nurturing of children;
- the CACSW realizes that 24-hour child care can be stressful;

the CACSW recommends that child care services should be available for a maximum of one day a week to those parents who have no paid employment.

CHILD CARE March 1984

Whereas

- the CACSW recognizes that the provision of day care is a service comparable to post-secondary education and health care in Canada;
- the CACSW believes that the care of Canadian children merits vastly increased support from the federal government;

1. the CACSW reaffirms its concerns with the inadequate provision of child care in Canada and recommends that the federal government immediately initiate consultations with the provinces and territories aimed at providing universally accessible, good-quality, non-profit child care across Canada, to meet the needs of children and parents;

2. the CACSW recommends that, to improve the availability of day care services in the short term, the federal government extend the range of child care costs eligible for cost-sharing under the Canada Assistance Plan to include capital and construction costs and start-up grants for all child care spaces in provincially approved agencies;

3. the CACSW recommends a long-term restructuring of federal spending on day care to ensure its provision as a universal social program, rather than a selective welfare service;

4. the CACSW reiterates its April 1977 recommendations that the federal government replace the income tax deduction for child care expenses with a fully refundable child care tax credit.

CHILD CARE April 1977

1. Whereas

   - child care expense is given as a deduction, which gives greater tax savings to women with higher incomes;
   - many baby-sitters refuse to provide receipts, which means women cannot claim expenses they have incurred;
   - the present system discriminates against men, who can only claim the deduction if they are single parents with custody or if their wives are disabled or institutionalized;
   - the present system fails to recognize the value of child care services provided by homemakers who are not in the labour force;

   the CACSW recommends replacing the present child care deduction with a flat-rate, no-receipts credit to be granted to single parents in the labour force and to two-earner families with young children. In the latter case, the credit should be given to the lower income spouse.

2. Whereas the child care contribution of the mother who works in the home should be recognized;

   the CACSW recommends that child care credits refundable to all mothers at home should be among the government's long-term goals.

PARENTAL LEAVE June 1984

Whereas the CACSW has acknowledged the principle that child-bearing and child-rearing are concerns of all society;

the CACSW recommends

1. that parental leave of 26 weeks in total, available to either or both parent(s), whether natural or adoptive, be paid at the full salary of the parent(s) taking the leave who is(are) eligible for benefits under the Unemployment Insurance Act;

2. that this parental leave be financed by contributions from all social partners: employers, employees, and the federal government.

PARENTAL LEAVE March 1984

The CACSW believes parental leave should be based on the principle that both women and men must have the opportunity to pursue labour-force careers and family responsibilities at the same time.

RE-ENTRY OF WOMEN October 1979

The CACSW report, **The Second Time Around**, notes that child care is a very practical barrier to the re-entry of women to the labour force. Therefore, the Council reiterates its concern about the whole state of child care in Canada, and asks the federal government to initiate, in cooperation with provincial and territorial governments, programs to meet child care needs for women returning to the work force.

CHILDBIRTH AND RELATED PARENTAL LEAVE January 1979

I. Maternity Leave

The CACSW recommends

1. that the federal government provide two weeks paid maternity leave. This would provide income protection to any employee during the days prior to childbirth and immediately after, or during the waiting period for unemployment insurance;

2. that one week of paid leave be available to all employees on the occasion of the birth of a child. This would include fathers and male and female parents of adoptive children. In the case of adoptive parents, the one paid week could cover the time the adoptive child is placed in the home;

3. that either parent be able to take unpaid leave of up to 26 weeks following the birth of a child or the placement in the home of an adoptive child, with the entire period covered by unemployment insurance. Paid vacation leave should be available for this purpose to the extent of existing leave credits. An employee should also have the option of returning to work earlier than the full 26 weeks, should loss of income during unpaid leave or job security be a problem;

4. that, in the case of unpaid leave for adoptive parents, the employer pay the employee's share of superannuation contributions, as it now does when a natural parent takes unpaid leave;

5. that, although pregnancy is not an illness, it be recognized that sickness can occur during pregnancy. Paid sick leave for illness during a pregnancy should be allowed while an employee is working: only the normal proof of illness should be required;

6. that sick leave should cover complications that may result from drugs and birth by caesarian section;

7. that the need for medical certificates in connection with maternity leave, except for the basic certification of pregnancy, be dropped in line with the Canada Labour Code.

II. Parental Leave for Child Care Purposes

The CACSW recommends that a fixed number of paid days be allotted as an employee's right in order to permit parents to stay at home during the illness of a child. The CACSW suggests that a paid leave package of ten days be examined – up to three days leave without a certificate and seven days with a medical certificate. These days would be for emergencies, not for long-term care. An employee would not be able to carry them over from one year to the next, as in the case of paid sick leave.

III. Child Care at the Workplace

The CACSW recommends that the federal government establish child care centres in the workplace where there are concentrations of federal government employees.

IV. Other Family Responsibilities

The CACSW recognizes that there are other family responsibilities that have not been covered in the above parental leave recommendations. These responsibilities include the emergency care of an aging parent or a sick spouse. Consideration should be given to granting a number of days per year for such purposes.

DEDUCTIONS FOR CHILD CARE EXPENSES January 1977

Whereas at present, only women in the labour force can claim child care expenses when a spouse is a student;

the CACSW recommends that when either spouse is a student, the wage-earning spouse be allowed to claim child care expenses regardless of sex.

ROLE OF GOVERNMENT July 1973

1. The CACSW is concerned with the evident inability of the federal, provincial, territorial, and municipal governments to come to grips with the problem of child care services so urgently needed in Canada.

2. The CACSW notes that the federal government has a direct responsibility for providing such services to Indian people.

DEFINITION OF CHILD-CARE TERMS

Child-care Settings

Child-care services are provided in three types of settings:

- child-care centres where groups of children are cared for by the staff of the centre, including satellite child-care centres supervised by the main centre;
- private homes, where one or more children are cared for in the home of the caregiver;
- the child's own home, by a babysitter or nanny hired by the parent(s) to care for the child.

Licencing

"Licenced" child care means that the service is licenced or regulated by the provincial or territorial government and must meet standards set by that government in areas such as health and safety, group size, available space, child-staff ratios, and sometimes educational or training standards for staff. Maintenance of these standards is monitored by provincial or territorial officials and the licence can be withdrawn if they are not met.

"Unlicenced" care does not have to meet any standards and is not supervised or monitored by any authority.

What Types of Care are Licenced?

All child-care centres must be licenced to operate.

Child-care services provided in the caregiver's own home may or may not be licenced. Either way, the province or territory sets limits on the number of children that may be cared for in a private home. The maximum number varies from one province or territory to another, but generally the limit is from three to eight children, usually including the caregiver's own young children.

Caregivers who provide licenced services in their own homes may be employed or contracted by a municipality or private agency, or they may operate independently under the supervision of provincial or territorial authorities. Homes that provide these licenced services are sometimes referred to as "family day-care homes".

The licence may be granted directly to the family homecare provider or to the supervising agency, which then accepts responsibility for making sure that the licencing standards are met by the homes providing the service.

Child-care providers who look after children in their own homes may choose not to be licenced. This type of care, because it is not licenced, does not have to meet any particular standards. It is therefore often referred to as "informal" care.

In other words, "informal" child care means "unlicenced" care for which no standards have to be met. It includes care of a child by a relative who may or may not be paid. It can also include "illegal" child-care operations where the number of children cared for in the private home exceeds the limits set by the provincial or territorial government.

Nannies and babysitters who care for a child in the child's own home are not required to be licenced. They are also part of the "informal" child-care system.

Profit and Non-profit

Both child-care centres and licenced family day-care homes can be operated on a "profit" or a "non-profit" basis.

"Profit" child care refers to child-care services that are operated as a business and may generate a profit. For this reason, profit-making child-care services are sometimes referred to as "commercial" child care.

As far as child-care centres are concerned, there are three types of profit-making operations:

- A centre that is part of a business chain or franchise operation, such as Kinder-Care or Mini-Skools;
- A centre that is privately owned by someone who does not participate in the running of the centre. The person or persons may own other types of businesses in the community or elsewhere, or may be employed in some other type of occupation and own the child-care centre simply as a profit-making business;
- A centre that is owned and operated by an individual (or several individuals) as a business and may generate a profit.

Licenced family home day care may also be operated by a private, profit-making agency, which employs or contracts the caregivers to work in their own homes.

"Non-profit" child care refers to child-care services that are not operated to make a profit. Any surplus funds that are generated are plowed back into the operation.

Child-care centres may be incorporated as "non-profit" and their operations may be supervised by a board of directors drawn from members of the community, by parent boards, or by boards that include both parents and members of the community. They may also be operated as parent co-operatives and the board may include both parents and staff of the centre. Licenced family day care is considered "non-profit" where the supervising agency is non-profit. Independent family day-care homes supervised by a province or territory are also considered part of the non-profit sytem.

Public Sponsorship

Child-care services may also be operated directly by the government. For example, in some provinces such as Alberta and Ontario, municipalities may operate child-care centres. Some municipalities also operate child-care services through private homes.

The Canadian Advisory Council on the Status of Women takes the position that while all these various types of child care (except, of course, the illegal unlicenced care) would continue to exist under a new national child-care system, public funds should be directed only to licenced, non-profit child-care services and facilities.

INTRODUCTION

We often hear that children are a country's most valuable resource, yet we could and should do much more for them. We maintain that children require and deserve nurturance, support and a stable environment, yet there are many needs remaining to be met.

Given that the majority of mothers are in the work force, and that mothers and fathers at home require respite, most children need some form of non-parental child care that provides them with developmental learning experiences. In 1984, an estimated two million children under the age of 12 had mothers who worked or studied more than 20 hours a week. An additional 2.7 million children required care on an intermittent basis. At that time, there were only 172,000 licensed spaces in centres or homes across the country. In other words, less than 9 per cent of children were served by the formal child care system.[1] This lack of commitment to child care has led to the development of a system that allows both informal and commercial profit-making services to fill the vacuum. As a result, the other 1.8 million children are being cared for in unsupervised situations with uncertified caregivers where the quality of care varies greatly.

Parental leave in Canada is also inadequate and does not recognize that employees are also parents. Maternity leave is still not universally available and usually permits mothers to stay home for only six months after the birth or adoption of a child. As well, lack of parental leave policies discourage men from participating in parenting.

Yet in response to these great needs, we see that combined spending of the federal, provincial, and territorial governments amounts to only $116 per child each year (compared to $3,378 per capita in the public school system),[2] which does little to help Canadian families to care for their children. Lack of national standards for child care facilities and caregivers and inadequate funding means that availability, accessibility, and quality of this care vary widely across the country.

Some people believe that the government should not be supporting policies which facilitate, however modestly, women's ability to work outside the home. However, the "traditional" family with father as breadwinner and mother staying home to raise children is a thing of the past. Today, only 16 per cent of families fit this mold.[3] Most women are in the paid labour force for the same reasons that men are: for the income, and for some degree of social and psychological benefit. Also, many women are in the paid labour force because their families need their salary to stay above the poverty line. Thus the availability of child care can be seen as only one factor influencing women's decision to work.

The lack of quality child care greatly affects children. Left in inadequate or potentially dangerous situations, many children's opportunities for a wide range of important childhood activities such as positive learning and socializing experiences can be seriously limited. The results of this lack of adequate care are becoming known. The long-term consequences of not caring well for our children include increased costs in remedial education, as well as increased need for mental health and criminal justice services.[4]

The shortage of child care is not a new situation in Canada. It has been well documented over the past 15 years. In 1970, the Royal Commission on the Status of Women documented the dismal state of child care and said "the time is past when society can refuse to provide community child care services in the hope of dissuading mothers from leaving their children and going out to work. We are faced with a situation that demands immediate action".[5] By 1984, little action had taken place. The Royal Commission on Equality in Employment, when discussing child care, stated "that social policy on child care should not be permitted to remain so greatly behind the times".[6] When the Task Force on Child Care reported this year, it found that the need for child care was becoming more acute.[7]

Unfortunately, despite all the existing information that shows the urgent need for this service, a system of quality child care continues to be stalled. As a result of this inaction, the need for adequate child care is, or should be, one of the major social and political issues of the decade. The need for federal government involvement to redress this situation is urgent.

In the past, when crises have occurred in essential services – such as education or health – the federal government has intervened to establish national standards for services and a system of national financing. Without such a major infusion of funds, the development of the education and health systems in Canada would have taken a very different path.

The CACSW believes that child care – like education and health – is an essential service which should be universally accessible. The CACSW believes that the federal government can and must take a major role in rectifying the current state of inadequate access to quality child care. Canadian children need to be assured of a reasonable standard of care no matter where they live, regardless of their family's circumstances.

The CACSW also recongizes the important contribution that stay-at-home parents make in the nurturing of children and realizes that 24-hour child care is stressful. Therefore, the Council recommends that child care services should be available to those parents who have no paid employment for a maximum of one day a week.

This submission will argue that child care is not a luxury, but a necessity for Canadian families. In making this argument, we will first discuss current changes in family structures. Next we will demonstrate how present programs are not being responsive to the needs of families. We will then propose a system of universal child care that responds to the needs of children and their parents.

FAMILIES IN CANADA TODAY

In this section, we will first discuss the demographics of families today and show how the changing make-up of the family (particularly the increase in the number of women working outside the home and the number of single parents) has affected the need for child care. Second, we will look at groups which have special

needs in child care, such as adolescent mothers, women in rural areas, and Native and immigrant women.

The Changing Family

The belief that the "typical" family is one in which the father holds a job and completely supports the family economically while the mother stays at home to raise the children is no longer valid. Today, the "traditional" male-supported family is in the distinct minority, representing only 16 per cent of families as opposed to 65 per cent in 1961.[8] Many other family forms, such as one-parent families, childless couples and couples with children where both parents are employed, are much more common.

A significant change influencing families in recent years has been the increasing participation of mothers in the labour force. In 1984, 64 per cent of women with children were employed compared to 20 per cent in 1970.[9] Now, most mothers return to the labour force shortly after the birth of their children. In fact, over half of women with children under three are working for pay.

Contrary to popular opinion, women are not working part-time for "pin money", but are making a significant contribution to the financial well-being of their families. Seven out of 10 women in the labour force are working full-time and contribute an average of 40 per cent of family income. Those working part-time contribute 23 per cent of family income.[10] Without this second salary, 61 per cent more families would fall below the poverty line.[11]

Forty per cent of marriages now end in divorce. More than one-fifth of families are headed by a single parent; the majority of these are headed by women. Because the rate of remarriage has decreased, less than half of women who are divorced by the age of 35 remarry.[12] As a result, a mother who becomes a single parent while her children are still young is increasingly likely to have sole responsibility for them.

When considering other specific groups such as adolescent mothers, rural women, and Native or immigrant women, we see that although their situations may be different, they are similar in their need for child care. But their vulnerability – whether financial, geographic or social – makes more acute the need for child care which is responsive to their particular situations.

Adolescent Mothers

Adolescent "mums" have a special need for support in their parenting role. Many teenagers, once they have had the baby, want to continue the lifestyle they had before motherhood. That is, they want to return to school, take training courses or get a job. The balancing of parenting, personal life, and job or school requires special determination – for someone who is not much past childhood. That special determination demands special support.

Some young mothers receive support from their families and friends. They manage to finish school and get and hold a job. However, many, particularly those who are raising a child alone, find the 24 hour-a-day demands of motherhood nearly too much for them. This stress, compounded by housing problems and having little or no money, puts them and their babies at high risk of abuse. In these cases, child care can act as a preventive service. The time the child spends in good child care is beneficial for both mother and baby. Mother has time to rest and to pursue her own social and economic development. The child benefits from the mother's improved circumstances and from the stimulation and socialization of being with other children in quality care.

We know that the early years are the most important in the learning process. Early education programs have been shown to be effective in breaking the cycle that traps children who have not had all the advantages during their early years. Universal child care would particularly benefit the children of those adolescent mothers who are ill-equipped to raise their children.

Farm Women

Whether farm women are working entirely on the farm or have other jobs in towns nearby, they rarely have access to child care services. With the loss of traditional support systems inherent in the extended family, farm women are forced to take their children to work in the barn or the fields with them or leave them unattended in the house. The issue of the safety of these children is becoming of paramount importance.

With increasing mechanization of farming, the farm is not a safe place for children. Between 1975 and 1983, 80 children were killed in farm accidents.[13] The only alternative is leaving children alone at home. Both of these options create an additional stress for women.

But, with the great distances in rural Canada, a traditional child care centre is not "the answer". Recently, farm women have been discussing the need to have licensed child care workers come to their homes.[14] With this type of system, children will have the benefits of quality care and their parents will not have to spend hours every day driving children to a centre miles away or putting them in potentially dangerous situations.

Native Women on Rural or Northern Reserves

Native women face particular problems when trying to arrange child care in their communities. With a move toward a cash economy, more women are working for wages to support their families. Other women, working with their husbands in fishing and hunting, require child care because the hunting and fishing seasons do not coincide with school holidays.

With more women working outside the home, few are available to babysit. As a result, teenagers are often taken out of school to care for their siblings.[15] Not only is their learning being disturbed, but teenagers are often not familiar with the needs of young children, or how to respond to them. On the other hand, trained child care workers can provide valuable educational and socializing

experience and prepare children for further learning. Centres run by Native staff can also help teach young children about their culture. As children under five represent more than 20 per cent of the population in some villages, this is a major investment in the future of Native culture.

Immigrant Women

Immigrant women face particular problems trying to arrange child care – especially if they do not speak English or French. While they realize that child care can be beneficial in helping their children learn a new language and adapt to a new culture, they often have difficulty arranging it.

Labour force participation of immigrant women is high, but they are often caught in jobs that pay low wages. Forced to work in factories, sometimes far from where they live, the hours that many immigrant women work create additional problems. With jobs beginning at 7:00 or 7:30 in the morning, many women have difficulty finding caregivers who will take their children early enough to allow them to get to work on time. The lack of affordable, accessible child care particularly affects these women – adding another burden to the stressful situation of learning to live in a new culture.

This section has shown that the majority of women now work outside the home and require child care to enable them to handle both family and work responsibilities. For certain groups of women there are particular child care needs that must be sensitively responded to. The next section will examine the types of federal programs that are currently in place to respond to these needs.

EXISTING FEDERAL PROGRAMS

As was pointed out in the preceding section, the "typical" family is no longer one in which the mother stays home to take care of children. The reality is that seven out of ten mothers work and that the majority of children require some

form of non-parental child care. While individual families are struggling to adapt to the changes around them, governments are doing little to develop programs and policies to help them.

Currently, much of the responsibility for child care is at the provincial level. As a result, quality and accessibility to services vary from province to province and even from community to community. However, provinces can only go so far without national standards and guidelines for child care and financial support for it from the federal government. Unfortunately the federal government has not, to date, assumed its responsibility in developing a coherent child care system. Although it spent $224 million on child care in 1984-85 through different programs, these initiatives did not adequately address the considerable needs of families with children.

This section will look at the mix of programs supported by the federal government including the Child Care Deduction provided through the income tax system, the Canada Assistance Plan, the support for child care for parents enrolled in training courses sponsored by the Canadian Employment and Immigration Commission, and the funding provided through the Department of Indian and Northern Affairs to support child care on reserves.

Child Care Expense Deduction

The federal government makes its major contribution to child care ($115 million in 1984-85) through Section 63 of the Income Tax Act. This is not a direct payment to the parent, but permits taxpayers to claim up to $2,000 for each child under 14 years of age – with a maximum deduction of $8,000 allowed per family. The deduction must be claimed by the spouse with the lower income and must not exceed two-thirds of her or his income. The claimant must have receipts from the caregiver for her/his service and cannot hire a relative under 21 years of age to provide child care. Also, the expenses must have occurred to enable the taxpayer to work, attend a training course, or operate a business.

The Child Care Expense Deduction was introduced in December 1971 to assist parents with child care costs. However, it is evident that the assistance is minor at best. The major problem is that the maximum deduction does not cover real child care costs. In 1984, the average cost of full-time child care was almost $4,000 per child, yet parents were only able to claim half that amount. The actual value of the deduction also varies depending on the individual provincial tax level or with the level of taxable income.

This type of deduction does not give equal benefits to all claimants. In fact, it benefits higher income earners more. Families with incomes over $60,000 receive more benefit from the deduction than a single parent earning $20,000.

There is another problematic aspect to the support of child care through the use of tax-based benefits. Because of the shortage of funding and the number of spaces within the formal child care system, many parents rely on informal arrangements. In this situation, they have difficulty getting receipts from caregivers who do not want to declare the income and pay the resulting taxes because their husbands would lose the spousal deduction, substantially reducing the already small amount of income they are earning. Without these receipts, the person paying for child care cannot claim the deduction.

Lack of clarity about the availability of the deduction has also confused many Canadians. In 1981, less than half of eligible parents claimed the deduction.[16] Many people did not file because they thought they earned too much; others believed they earned too little. Many found the form too complicated or could not obtain receipts. For these reasons, since 1977 the CACSW has recommended that the federal government replace the income tax deduction for child care expenses with a fully refundable Child Care Tax Credit. This would permit parents to claim the real cost of child care and reduce the inequities that parents with children now face under the income tax system.

Canada Assistance Plan

The Canada Assistance Plan (CAP) was introduced in 1966 to provide public assistance to help those "in need" or "likely to become in need". Typically, the federal government pays 50 per cent of the costs of social assistance provided by the provinces. Under this provision, the federal government, in response to provincial initiatives, also shares the child care costs of families that meet certain social and financial criteria.

Under CAP, the income of families is screened to determine eligibility. If their income level falls below those established in provincial guidelines, families can apply for the level of financial assistance offered in their province. Depending on the province, the subsidy may or may not cover the full cost of child care services. Even though the federal government makes funds available to support child care through CAP, there is no obligation on the part of the province to provide this service. Furthermore, eligibility for subsidy does not assure the availability of a subsidized space in any province in Canada. With just half of licensed spaces in Canada subsidized through CAP, the federal government is supporting only 4.5 per cent of the child care that is needed in this country.

Thus, not only is the number of spaces supported by the program woefully inadequate, the use of a welfare program to provide child care services does not reflect the social and economic context of the 1980s. When CAP was introduced in the 1960s, only 16.7 per cent of mothers with young children were in the work force and only 6.6 per cent of families were headed by a single parent. While it is debatable whether CAP even met the needs of the 1960s, it certainly cannot meet the needs of a dramatically changed society two decades later.

The CACSW believes that, in the long term, there should be a major restructuring of federal funding on child care to ensure its provision as a universal program comparable to education and health. The CACSW has recommended that, in order to improve the availability of day care services in the short term, the federal govenment extend the range of child care costs eligible for cost-sharing under the Canada Assistance Plan to include capital construction costs and start-up grants for all child care spaces in provincially approved agencies.

Child Care Allowances for Trainees

The Child Care Allowance provided for Canadian Employment and Immigration Commission (CEIC) trainees is another program through which the federal government supports child care. Last year, just over 12,000 trainees – 90 per cent of whom were women – benefitted from the program. While the total expenditure for 1984-85 was small ($16.9 million), CEIC considers the program an important support service which gives single parents the opportunity to prepare themselves to return to the work force. Although the $75 per child allotted per week amounts to an annual subsidy of almost $4,000, many women cannot arrange care within the formal child care system because of a lack of available spaces. They are forced to make informal arrangements – with little information or assurance about the level of care that will be provided. For many women, concern about the well-being of their children will be an ongoing part of returning to the work force. Combined with other expenses (such as transportation and clothing), it is little wonder that many single parents question the economic feasibility of returning to paid work, even though they must, and do, do so.

Department of Indian and Northern Affairs

An Indian and Northern Affairs program provides $2.2 million to support child care centres in Ontario. Through a 1965 cost-sharing agreement, the federal government funds 50 per cent of child care services on Ontario reserves.

However, outside of Ontario, child care centres are funded on a more ad hoc basis. Supported with discretionary funds from regional social program budgets, there is a wide disparity of availability of child care services across the country. The unreliable nature of this funding and its insufficiency mean that few reserves have established child care services. The federal government could play a more active role initiating discussions with band councils to encourage them to establish child care centres on their reserves.

Thus we see that although the federal government supports child care through a mix of programs, these programs do not adequately address the needs of the majority of parents with children. Lack of government support for child care means that licensed care is limited and expensive. Although most parents would prefer to have their children in supervised group care centres, the majority are forced to make private arrangements.

Existing licensed spaces serve less than 9 per cent of all children who need them. The cost of licensed child care means that it is feasible only for the rich or for those poor families who can obtain a subsidized space. Most middle-income families cannot afford child care in the "formal system". They too are being forced to make private arrangements.

Yet, the dangers of relying on an unregulated system are becoming known. Many informal child care providers are untrained and offer little more than custodial service; in addition, they do not provide the proper equipment, space and support. In recent years, well-documented cases of neglect and even abuse have come to light. The following section will discuss what kind of a system is needed to meet the needs of children and their parents.

A COMPREHENSIVE CHILD CARE SYSTEM

The support provided to parents when they are raising their children reflects attitudes about the value that a society places on children and family life. Many European countries have developed policies and programs such as child care and extended parental leave to help parents combine work and family responsibilities. In comparison to these initiatives, Canada lags far behind.

In a recent survey of parental leave and child care policies in a number of European countries,[17] it was found that income replacement is higher and the duration of maternal/parental leave permitted is significantly longer than what is provided in Canada. Many countries also provide additional benefits to working parents such as reduced or more flexible working hours and increased annual leave.

For example, parents in Sweden are entitled to take 26 weeks of maternity leave, receiving 90 per cent of their regular income. After the initial 26-week maternity leave, Swedish parents can opt to take an additional 26 weeks to care for their child – the first half of it at 90 per cent income replacement, the final half at a flat-rate benefit. Consistent with the Swedish belief that family responsibilities should be shared between men and women, the extended leave is available to either parent and can be taken in full, half or part-days over an extended number of years.

In West Germany, the State provides a flat-rate benefit for 32 weeks. During the first 14 weeks, employers are required to top-up this benefit to 90 per cent of regular salary. Following a 16-week maternity leave with 90 per cent of income, France provides for a two-year period of extended child care leave without pay. Hungary allows for leave until the child is three, giving mothers a monthly cash benefit equal to 1/3 of the average wage.[18] (A table outlining the policies of various countries is presented in the Appendix.)

This section will discuss the essential components of a comprehensive child care system. The elements of quality care will be examined, including caregiver/child ratios, caregiver training, recognition, and remuneration. Finally, the need for policies which allow parents the opportunity to fulfil both work and family-related responsibilities will be elaborated.

Elements of a Comprehensive System

Canadian children and their parents deserve a comprehensive system of non-profit child care. Community-based child care centres should form the hub of this service with full-day as well as part-time child care (almost impossible to arrange today), supported by workplace child care, nursery programs, and parent training courses. Such a centre would also provide information and referral services as well as "family relief" services which allow parents to have some time to pursue their own interests, do volunteer work, or simply rest.

A system of quality care would recognize the different needs that parents have for child care at different times. As such, a comprehensive system would be one that included licensed centres and homes with qualified staff, workplace child care for infants and pre-schoolers, special programs for school-aged children (including before- and after-school programs), and programs for summer holidays and school breaks. Through these school and community programs, "latch-key" children would also be provided for. Programs should also exist to respond to the needs of children whose parents are shift or seasonal workers. Centres should be designed to accommodate disabled children or parents. Emergency care should be available for children who are sick or whose regular caregiver is ill.

It should be recognized at the outset that such a system demands flexibility and an ability to adapt to the needs of specific groups. For instance, while workplace child care would be ideal for many working parents with infants, women working in certain factories may well not consider "on site" child care desirable. That is, the conditions in many work sites are potentially hazardous to children because of exposure to pollutants, risk of accidents, etc.

For women in rural areas, centre care is not the answer. Because of the great distances involved in taking their children to a centre, rural parents may prefer to have trained caregivers coming to their homes.

Immigrant and Native children would benefit from having caregivers who are from the same cultural background. The goal of quality care is not assimilation or homogenization of diverse cultural groups. Caregivers need to be sensitive to different traditions and values, yet knowledgeable and experienced in "mainstream" culture as well.

Children with disabilities also should have access to quality care. To respond to their needs, child care centres should have appropriately designed facilities staffed by caregivers who are well versed in the care of children in their circumstances. Centres should also be designed to permit the involvement of parents with disabilities.

Elements of Quality Care

The importance of early childhood experience is well known and as the number of children receiving non-parental care increases, the question of what constitutes quality care takes on new importance. While no one single definition exists, studies indicate that quality child care would recognize children's developmental needs, provide support to parents, and act as a source of information and referral to inform parents about other health and social service agencies in the community.

Recent research on child care indicates that the following three characteristics are important indicators of quality care in both homes and centres:

- caregiver/child composition (group size and staff/child ratios);
- caregiver training which is specifically related to child development, early childhood education, or family home child care; and
- space that is adequately designed and equipped to provide a safe area that invites developmentally appropriate play and exploration.[19]

In evaluations of child care centres, smaller groups have been consistently associated with better care. This was indicated by more socially active children who score higher on developmental tests. Maximum group size for pre-schoolers was set at 14 to 16 children per group, with a maximum caregiver/child ratio of 1:7. Group size for toddlers and infants should be smaller, with groups no larger than 10, and caregiver/child ratios between 1:3 and 1:5.

The physical environment, which includes design and layout of space, degree of density and the availability of materials, also influences children's child care experience. Aggressiveness and destructiveness increase with the number of children in a given space. When centre populations exceed 60, more emphasis is placed on rules and routine than in centres with populations between 30 and 60 children; larger centres are also less flexible in their scheduling.

When considering child care programs, it is important to incorporate socializing and playing as well as more formal learning. Children in moderately structured programs fare better than children in either completely open programs or rigidly structured ones.[20] Children in moderately structured programs demonstrate gains in both creativity and self-esteem as well as cognition and achievement, while children in totally open or rigidly structured programs show gains in one or the other area, but not both.

While information is lacking on the direct impact of parental involvement on children's child care experience, it is generally believed that parents can best monitor the quality of care through their involvement with the centre.

While research specifically focussing on home-based child care (that is, care provided in the caregiver's home) is scarce, studies that do exist show that a smaller number of children, child-designed play space, and caregiver training are associated with more positive care. Training for caregivers, toy libraries, information sessions which provide ideas for programs and nutrition, and in particular, ongoing support by family home care agencies help caregivers to give better care and to take greater pride in their work. Caregivers benefitting from support systems such as those mentioned above are more likely to have a different orientation to their caregiving, and consider themselves paraprofessionals. They offer better care to children than do caregivers who are isolated, lack support and training, and tend to be able to offer only "custodial care".

In summary, good caregivers should have a combination of experience and education. Certification of individual caregivers which would take these qualifications into consideration is being discussed as one way to assure parents of the type of care given by a caregiver.

Good child care is a labour-intensive service. It depends on small caregiver/child ratios and committed, trained staff. Other essential ingredients include a suitable environment and adequate materials. Yet, commercial centres that tend to use pre-packaged learning programs are becoming more common in

Canada today. The type of care they offer is not consistent with the type of individual attention children need.

The only way profits can be made in the child care sector is at the expense of the critical elements of quality care (such as small group size, low adult/child ratios, reasonable employee wages, and good health, safety and nutritional standards). For these reasons, the CACSW believes that commercial facilities and quality child care are mutually exclusive.

Recognizing the Importance of Caregivers

While caregiver/child ratios are an important part of quality care, the skills and attitudes of caregivers are crucial. In studies evaluating the training and performance of caregivers, it was found that early childhood education or childhood development training (rather than the total years of education or work-related experience) most significantly contribute to the quality of care provided by child care workers. Yet, gaining support for the training of caregivers has always been difficult to achieve.

Historically, efforts towards professional development have been hampered by the low salaries paid to workers and the lack of sufficient centre funding to allow for staff development. The lack of public recognition attached to child care as a profession and lack of opportunities for advancement discourage workers from considering child care as a career. For many workers, career aspirations or the need for a decent salary means they have to move out of child care regardless of the level of their initial commitment.

Although child care is, in great part, an educational service, public school teachers enjoy more status and earn salaries two to three times greater than child care workers. In most provinces, those caring for children are remunerated at levels lower than manual labourers – despite vast differences in experience and education.

The CACSW would like to point out that until child care workers are paid wages commensurate with their responsibility, staff turnover will remain unnecessarily high and will negatively affect the quality of care. Therefore, we encourage the federal government to direct funds to the provinces and its own training programs for the establishment of courses which would lead to the certification of individual caregivers.

Parental Support Policies

Adequate quality child care services are only one element in the network of programs needed to support families and help them deal with the realities of family life and child care. Given that the majority of women of child-bearing age are now in the paid labour force, paid parental leave programs and other support services to families with young children must also be viewed as essential elements of adequate child care in today's Canada.

Extended parental leave (that is, longer than the present maternity leave) could work to reduce the need for outside child care by supporting parents who wish to care for their own children. Yet, the current system of maternity benefits penalizes parents who take time off from the paid labour force to care for their own children. An expanded system of maternity and parental leave with more generous benefits would allow both parents a choice about raising their children without forfeiting their careers or suffering major financial setbacks.

The CACSW believes that parental leave should be based on the principle that both women and men must have the opportunity to pursue labour force careers and family responsibilities at the same time.

The CACSW recommends that parental leave of 26 weeks in total, available to either or both parent(s), whether natural or adoptive, be paid at the full salary of the parent(s) taking the leave who is(are) eligible for benefits under the Unemployment Insurance Act.

Additional leave to allow parents to meet family-related responsibilities is a crucial element of a comprehensive family support program. This leave can be used to care for children in emergencies, take them to the doctor, or attend parent/teacher meetings. These events occur regularly and should be acknowledged when developing a system to respond to family needs. At present, most parents have to use their vacation or sick leave to meet such obligations.

The CACSW recommends that a fixed number of paid days be allotted as an employee's right in order to permit parents to stay at home during the illness of a child. The CACSW suggests that a paid-leave package of ten days be examined – up to three days leave without a certificate and seven days with a medical certificate.

Finally, alternative work patterns need to be explored so that parents can have more time to spend with their children. The shorter work week is being discussed as the vehicle offering parents the greatest flexibility for participation in both home and work life. In addition, sharing of available work may also have some beneficial effects as a labour market adjustment tool during times of high unemployment, providing the wages paid are reasonable.

Many industrialized countries have long recognized the importance of supporting parents – whether they need child care services or choose to stay home to care for their own children. In Canada, there has been increasing attitudinal support for the development of a comprehensive parental support system. Yet, the political will to implement is not clearly evident. Canada should learn from the experience of other countries and develop policies to help parents meet their work and home responsibilities. Such a comprehensive system would include quality child care services, parental support programs, and opportunities for alternative work schedules.

COSTS OF A UNIVERSAL CHILD CARE SYSTEM

High quality child care is expensive – more than most parents can reasonably be expected to pay. In the past, when the cost of education and health care became so high that many Canadians could not afford services, government intervention was necessary to rectify the situation. Because of the belief that all people should have equal access to this service, Canadians assumed the cost collectively.

The development of both these systems would have followed a very different path had there not been intervention at the national level. Without an infusion of funds from the federal government, and the development of national guidelines, Canadians today would not be able to be assured of minimum standards for their health care and education, no matter in which province they live or to which they travel.

The CACSW believes Canadians deserve a comprehensive, universal system of quality child care. Although the costs of a system comparable to our education and health care systems will be great, the benefits must also be recognized. Enriching early childhood experiences, which are a part of quality child care, can help reduce costs of remedial education, health and social services, mental health services, and costs to the criminal justice system. A recent U.S. study showed that high-quality pre-school education programs for disadvantaged children pay for themselves six times over.[21]

The Cooke Task Force estimated that Canada spends almost $16 billion annually in mental health, criminal justice, and related services. Savings of just 10 per cent would amount to $1.6 billion annually.[22] And these are just the dollar savings. The lessening of stress among parents and children, through the use of child care as a "family relief" system, will amount to incalculable savings in the realm of psychological and emotional well-being and to increased productivity of parents at work who are not worried about their children.

Economic benefits include job creation in the labour-intensive field of child care and in construction as child care facilities are renovated or built. Contribution to the tax system by working mothers would also be significant.

The Cooke Task Force developed cost estimates of providing care for all Canadian children. In 1984, there were almost two million children whose parents worked or studied full- or part-time and an additional 2.7 million children who needed care on a part-time or intermittent basis. The cost of providing appropriate care to all these children would have been $8.9 billion in 1984.[23] The federal government share of this would be approximately 50 per cent.

It must be recognized however, that these are "gross" and not "net" costs. Consideration of some of the benefits shows a significantly reduced cost for the system. It has been estimated that a universal system of child care could create up to 350,000 new jobs. The creation of these jobs could mean savings of up to $500 million from the unemployment insurance fund.[24] The government would also see greatly increased income tax revenues – some estimates suggest as much as half a billion dollars.[25] The cost of the system is then reduced to $7.9 billion. If savings of $1.6 billion are realized in health and social services, the cost of the system would be just over $6 billion per year (representing just 2 per cent of Canada's gross national product).

Savings for employers must also be taken into consideration. Increasingly, employers are beginning to see that inadequate child care systems are costing them money. Without reliable child care arrangements, employees are less productive or have higher absenteeism rates because arrangements break down, or a child is sick. A recent **New York Times** article cited a manager for Southland Corporation in Dallas estimating that his company "has been losing more than $70,000 a year due to absenteeism among mothers who had to be home with their children – either because of an illness or a break down in day care arrangements".[26] The Cooke Task Force cited a Quebec study of 6,400 working women: among mothers with children under 12 years of age, 62 per cent were absent at least once during the year because of child care-related issues.[27]

Increased consumer spending must also be considered. Estimates which consider that workers would save 10 per cent of their net income suggest that $5 billion in extra spending could be generated if 350,000 new jobs were created.[28] Consideration of all these aspects shows the cost of a universal child care system to be much lower than originally anticipated.

Wishing that "things could be like they used to be" has never provided an adequate basis for policy development in any area. Nor does it for child care. The issue is not how can we afford child care, but rather how can we afford not to support families as they try to raise their children. **The CACSW urges the Special Committee to recognize the changes that have taken place in society, the family and the work force, and challenges the Special Committee to take a leading role in giving the future citizens of our country the best possible start in life.**

APPENDIX

Extended Child Care Leave

Country	Initial Insured Leave Period	Extended Leave	
		Duration	Benefits
Sweden	26	26 weeks to be used before child is 8 years old as ½ or ¼ days or as full-days before child is 18 months old	first 13 weeks at 90% of salary; last 13 weeks at flat-rate benefit
Austria	16	46 weeks	monthly flat-rate benefit with a higher rate paid to single mothers
Hungary	20	leave until the child is three	monthly cash benefit equivalent to ⅓ average wage
Italy	20	26 weeks	30% of salary provided by Social Security funds
Czechoslovakia	26	1) 26 weeks for mothers of one child; 2) 78 weeks for mothers of two children	flat-rate benefit equal to 22% of average wage
East Germany	26	1) 26 weeks for mothers of two children; 2) 52 weeks for mothers of 3 or more children	flat-rate benefit equivalent to the statutory sick benefit
West Germany[a]	14	18 weeks	flat-rate benefit
United Kingdom[b]	6	12 to 18 weeks	flat-rate benefit for 1 to 7 weeks; 11 weeks without benefits
France	16	2 years available to parents employed for one year or more with firms of over 100 employees	none
Finland	47	6 months	none
Denmark	28	none	none
Canada	**17**	**none***	**none**
United States	0	none	none

Source: Monica Townson, *Paid Parental Leave Policies: An International Comparison, with Options for Canada*, A report prepared for the Task Force on Child Care, (Ottawa: 1985), Series 4, Catalogue No. SW43-1/4-1985E. Survey of country profiles conducted for the Task Force on Child Care by External Affairs Canada.

Notes: *Workers in the federal jurisdiction can take 24 weeks of unpaid leave after the maternity leave is over. This leave is available to either parent and to adopting parents.

[a]In West Germany, the state provides a flat-rate benefit for 32 weeks. During the first 14 weeks employers are required to top-up this benefit to 90% of regular salary.

[b]In the United Kingdom, the state provides a flat-rate benefit for 18 weeks (11 before the birth and 7 after) and reimburses employers for a mandatory 6-week top-up to workers with 2 years' seniority. All workers are entitled to take up to 11 weeks before the birth and 18 weeks after.

Reprinted from **The Report of the Task Force on Child Care.**

NOTES

1. Canada, Health and Welfare Canada, National Day Care Information Centre, **Status of Day Care in Canada** (Ottawa: Health and Welfare Canada, 1984), pp. 13-16.

2. Canada, Status of Women Canada, **Report of the Task Force on Child Care** (Ottawa: Supply and Services Canada, 1986), catalogue no. SW41-1/1986E, pp. 223-227.

3. Canada, Statistics Canada, **Women in Canada: A Statistical Report** (Ottawa: Supply and Services Canada, 1985), catalogue no. 89-503E, table 2, p. 6.

4. **Report of the Task Force on Child Care**, p. 334.

5. Canada, Royal Commission on the Status of Women, **Report** (Ottawa: Supply and Services Canada, 1970), p. 263.

6. Canada, Royal Commission on Equality in Employment, **Equality in Employment** (Ottawa: Supply and Services Canada, 1984), p. 192.

7. **Report of the Task Force on Child Care**, p. xxv.

8. **Women in Canada**, table 2, p. 69.

9. Canada, Statistics Canada, **The Labour Force** (Ottawa: Supply and Services Canada, December 1984), catalogue no. 71-001, table 65 A, p. 100.

10. Canada, Statistics Canada, **Changes in Income in Canada: 1970-80** (Ottawa: Supply and Services Canada, 1984), catalogue no. 99-941.

11. Canadian Advisory Council on the Status of Women (CACSW), **Women and Poverty** (fact sheet) (Ottawa: CACSW, 1985).

12. Canada, Statistics Canada, **Divorce, Law and the Family in Canada** (Ottawa: Supply and Services Canada, 1983), catalogue no. 89-502E.

    A. Romaniuc, **Current Demographic Analysis Fertility in Canada: From Baby Boom to Baby Bust**, a report prepared for Statistics Canada (Ottawa: Supply and Services Canada, November 1984), catalogue no. 91-524E, p. 60.

13. **Report of the Task Force on Child Care**, p. 210.

14. Ibid., p. 64.

15. Diane Morissette, **Native Women in Quebec: Resources and Associations**, report prepared for Secretary of State, Quebec Regional Directorate (Quebec: Secretary of State, 1983), pp. 50-60.

16. Canada, Revenue Canada Taxation, **1983 Taxation Statistics analysing 1981 T1 Individual Tax Returns and Miscellaneous Statistics**, as found in the **Report of the Task Force on Child Care**, p. 170.

17. Monica Townson, "Paid Parental Leave Policies: An International Comparison, with options for Canada," in **Child Care: The Employer's Role** a report prepared for the Task Force on Child Care (Ottawa: Supply and Services Canada, 1985), catalogue no. SW43-1/4-1985E.

    Another survey of country profiles was conducted for the Task Force by External Affairs, as found in the **Report of the Committee on Child Care**, pp. 237-250.

18. Monica Townson, ibid., as cited in the **Report of the Task Force on Child Care**, p. 245.

19. Information in this section was gleaned from the following sources:
    Donna Lero and Irene Kyle, "Day Care Quality: its Definition and Implementation," in **Child Care: Standards and Quality** (Ottawa: Supply and Services Canada, 1985), a background paper produced for the Task Force on Child Care, catalogue no. SW43-1/3-1985E.

    R. Roup P. et al., **Children at the Centre**, Final Report of the National Day Care Study (Cambridge, Mass: Abt Books, 1979).

20. C.W. Snow, "As the twig is bent: A review of research on the consequences of day care with implications for caregiving," paper presented at the Annual Meeting of the NAEYC, Atlanta, Georgia, November 1983. As found in Lero and Kyle, ibid.

21. Lawrence Schweinhart and David Weikait, "Evidence that Good Early Childhood Programs Work," **Phi Delta Kappon**, April 1985, vol. 66, no. 8 (particularly the Perry Pre-school Project, cited in the article).

22. **Report of the Task Force on Child Care**, p. 334.

23. Ibid., p. 328.

24. Ibid., p. 339.

    See also: Monica Townson, **The Costs and Benefits of a National Child Care System for Canada**, report prepared for the Canadian Day Care Advocacy Association (Ottawa: Canadian Day Care Advocacy Association, 1986), p. 36.

25. Ibid.

26. William Meyers, "Child Care Finds a Champion in the Corporation," **New York Times**, August 4, 1985.

27. Kim Chi Tran Van, **Études sur les caractéristiques des travailleuses québécoises**, Gouvernement du Québec, ministère du Travail et de la Main-d'oeuvre, Centre de recherche et de statistiques sur le marché du travail, Études et recherches, February 1980, p. 116, as found in **The Report of the Task Force on Child Care**, p. 338.

28. Monica Townson, **The Costs and Benefits of a National Child Care System for Canada**, p. 36.